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F.C.I. News Letter

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News Letter is designed to inform field workers of the AAA and FCIC of developments in the crop insurance program and is not for general distribution.

SPRING WHEAT CAMPAIGN

SWINGS INTO HIGH GEAR February 29 is a date that every crop insurance worker in the spring wheat area should keep constantly in mind because applications for wheat crop insurance cannot be accepted in county AAA offices after that date. The spring wheat campaign is now getting into full swing and if results obtained by the closing date are anywhere near the expected results as indicated by current reports from various spring wheat State offices, the Corporation will find that it has well over 400,000 insurance contracts entered on its books.

From North Dakota State Chairman Harry D. Lohse we hear that 40,000 contracts are in prospect. Archie Camp of Washington says his State will probably have 4,000 contracts this year compared with 1,342 last. Wyoming will quadruple last year's participation, says a report from that State. Idaho will double her 1939 sign-up says State Chairman Milford Vaught.

This year the Federal Crop Insurance Program does not have the handicap of being an untried proposition. In 1939 nearly 166,000 transformed their applications into policies by paying the required premium. Thousands of uninsured farmers have now seen the program in operation on their neighbors' farms. Upward of 53,000 insured growers last year received some 10 million bushels of indemnity wheat. Every phase of the program has had a thorough field demonstration in every section of the country and the results are evident in a "streamlined" improved program for 1940.

Latest available figures on the 1940 sign-up show that 324,865 wheat growers have already paid for all-risk insurance on their next crop. More than 300,000 of these are winter wheat growers. Over $11\frac{1}{2}$ million bushels have been paid into the crop insurance reserve as premiums assuring the production of about 89 million bushels of wheat on over 9 million acres.

Table 1 on the next page shows the latest sign-up figures by States on the 1939 and 1940 programs. Table 2 on page 3 gives the latest and final figures on the indemnity phase of the 1939 program.

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The total value of all farm land and buildings increased about 5 billion dollars from 1933 to 1938.

1939 Program

(As of February 1, 1939)

1940 Program (Largely winter wheat)

Estimated

State	Paid-up applications	Premiums paid	Estimated acreage insured	Estimated production insured	Paid-up applications	Premiums paid	Estimated acreage insured	Estimated production insured
California	992	73,872	111,954	(Bushels) 1,443,059	(Number) 2,128	(Bushels) 168,706	165,181	(Bushels) 2,326,859
Colorado	1,387	78,493	72,285	525,764	2,590	224,680	124,841	857,260
Delaware	79	851	1,754	22,145	456	4,588	9,176	117,379
Idaho	1,641	74,412	125,613	2,092,181	3,615	111,581	132,653	2,186,505
Illinois	12,170	194,726	286,883	2,848,646	14,903	231,300	244,463	2,980,013
Indiana	11,146	149,486	173,573	1,988,107	28,376	307,007	311,577	3,942,503
Iowa	4,657	62,381	81,659	840,881	7,141	104,645	92,912	1,227,042
Kansas	14,950	813,061	932,499	6,954,678	60,493	3,978,335	2,862,709	23,790,340
Kentucky	NO PARTICIPATION IN 1939 PROGRAM				979	15,988	15,903	160,418
Michigan	5,043	33,111	54,134	746,951	15,956	93,353	136,361	1,882,451
Minnesota	10,280	175,132	254,787	2,644,913	14,284	221,631	215,275	2,165,532
Missouri	15,783	213,608	389,086	3,171,493	21,662	270,708	352,377	3,529,945
Montana	5,133	673,942	537,720	4,199,954	1,249	188,645	91,035	741,248
Maryland	986	10,911	23,035	291,314	1,274	16,242	31,348	438,348
Nebraska	13,250	540,186	476,428	3,750,392	56,384	2,085,915	1,248,753	13,027,465
Nevada	38	504	659	11,513	51	888	900	18,322
New Jersey	29	190	380	5,778	111	644	1,288	19,513
New York	652	5,030	8,758	149,937	910	6,441	9,513	137,724
New Mexico	109	13,398	9,193	76,651	60	12,744	6,244	34,000
North Carolina	NO PARTICIPATION IN 1939 PROGRAM				202	1,005	2,010	20,132
North Dakota	28,050	2,048,428	2,148,492	12,663,104	2,811	251,995	180,950	1,239,560
Ohio	10,269	141,430	135,769	1,691,889	28,758	323,344	287,853	4,000,805
Oklahoma	8,639	291,416	503,109	3,867,680	23,347	914,442	976,376	8,383,475
Oregon	661	64,781	95,515	1,420,294	1,658	214,554	226,492	3,050,973
Pennsylvania	2,301	15,815	30,456	447,831	5,911	39,981	72,786	1,107,117
South Dakota	10,772	738,941	515,881	2,679,764	12,138	755,571	391,277	2,635,631
Tennessee	NO PARTICIPATION IN 1939 PROGRAM				246	3,098	4,973	42,969
Texas	3,667	421,377	376,772	2,516,168	11,033	1,110,087	706,064	4,937,855
Utah	442	23,019	33,603	496,796	419	22,233	24,466	318,432
Virginia	916	7,347	15,386	189,240	1,176	10,490	20,980	258,524
Washington	1,342	86,970	168,956	2,428,914	3,112	208,215	318,758	5,068,563
West Virginia	1	19	37	402	NO PARTICIPATION IN 1940 PROGRAM			
Wisconsin	183	1,219	1,187	16,836	509	3,000	3,059	35,630
Wyoming	311	29,053	23,418	185,754	923	108,902	71,252	44,301
TOTAL	165,884	6,983,109	7,588,981	60,669,029	324,865	12,010,959	9,339,805	91,126,844

Table 2. - COMBINED REPORT OF INDEMNITY CLAIMS APPROVED FOR PAYMENT
Through January 31, 1940

State	Total number indemnity claims approved for payment	Total wheat acreage on which claims for indemnity were approved	Total indemnity approved for payment (Bushels)
<u>KANSAS CITY BR.</u>			
Ohio	1,893	21,802.5	100,510
Indiana	2,531	35,702.2	146,368
Illinois	959	17,453.2	57,818
Michigan	922	9,221.0	38,943
Iowa	1,770	23,819.5	126,074
Missouri	2,763	49,604.5	167,763
Nebraska	8,541	252,980.2	1,255,463
Kansas	5,643	424,820.7	1,728,797
Oklahoma	2,978	120,972.0	477,026
Texas	2,357	225,709.6	1,022,669
Idaho (South)	125	7,839.7	37,041
Wyoming	234	16,374.0	83,612
Colorado	742	39,035.0	174,694
New Mexico	62	4,014.2	29,016
Utah	145	11,065.4	59,634
Nevada	18	336.5	3,341
California	380	39,375.6	243,122
TOTAL	32,058	1,300,125.8	5,751,891
<u>MINNEAPOLIS BR.</u>			
Wisconsin	119	848.8	6,500.8
Minnesota	2,588	47,723.9	153,274.0
North Dakota	9,150	591,510.9	1,499,153.5
South Dakota	7,545	364,619.8	1,525,098.0
Montana	1,671	165,437.8	651,087.3
Idaho (North)	86	4,704.5	20,823.0
Washington	237	22,335.1	86,397.1
Oregon	185	25,835.0	101,213.9
TOTAL	21,581	1,223,015.8	4,043,547.6
<u>WASHINGTON BR.</u>			
Delaware	14	308.2	668
Maryland	151	3,166.7	7,103
New Jersey	3	43.1	170
New York	50	732.8	4,924
Pennsylvania	149	2,058.1	7,613
Virginia	78	1,052.0	3,811
West Virginia	0	0	0
TOTAL	445	7,360.9	24,289
Kansas City Total	32,058	1,300,125.8	5,751,891.0
Minneapolis Total	21,581	1,223,015.8	4,043,547.6
Washington Total	445	7,360.9	24,289.0
COMBINED TOTAL	54,084	2,530,502.5	9,819,727.6

ACTUAL RECORDS OF 1939 WILL

INFLUENCE '41 YIELDS, RATES

The 1941 Yield and Rate Procedure and the 1941 Wheat Listing Sheet are in the final stages of production at the Government Printing Office. Printed copies should be ready for distribution within a week or ten days to State AAA offices from whence they will be sent to county offices as needed to list yield and rate data for individual farms in each county. The designation of the new Yield and Rate Procedure has been shortened by calling it Form FCI-101-W. The new listing sheet, which in effect takes the place of both FCI-3 and 4 last year, will be referred to as Form FCI-103-W. There will be no Forms FCI-2 and FCI-5 this year.

A significant factor toward bringing the 1941 yield and rate data closer to the nth degree of accuracy is the fact that 1941 data will be influenced by yields and losses for the 1939 crop.

As stated in the procedure: "The method to be used in determining the 1941 yield for the farm will be to average the 1940 listing sheet yield with the 1939 yields for the farm, giving a weight of 9 to the 1940 listing sheet yield and a weight of one to the 1939 yield. If this plan is carried out for future years, the yields established each year will more and more reflect actual production history for the farm.

"In determining the premium rate for 1941, the 1939 loss will be averaged with the 1940 premium rate, giving the 1939 loss a weight of 1 and 1940 premium rate a weight of 19. The weighting of 19 to 1 for premium rates, as compared to 9 to 1 for yields, was adopted because the loss cost for the farm was averaged with the county loss cost to determine the 1940 premium rate and, consequently, the loss experience in 1939 for the farm should have only one-half as much weight in determining the 1941 premium rate as the yield experience in 1939 should have in determining the 1941 yield for the farm."

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"ONLY FOOLS AND STRANGERS

TRY TO PREDICT THE WEATHER"

Winter wheat farmers, generally, feel better, says Joe Storm, AAA field representative, who has been looking over the drought situation in the Southwest during the past few weeks. Many of them who were ready to throw in the towel a month or so ago foresee better than an average harvest ahead since the snows came. That includes lots of insured growers. There will very likely be much fall wheat reseeded in the spring. Many farmers who usually grow winter wheat will be spring wheat growers this year. This is particularly true of the mountain fringe of the High Plains and to a lesser extent eastward into Kansas, and possibly Oklahoma and the Texas Panhandle. Most densely insured areas still will be in the comparatively low-risk country, notably in northeast Kansas.

For a long time in the Plains they've said: "Only fools and strangers predict the weather." From an insurance standpoint, possibly the most significant contribution of the present winter has been the prestige it has lent to this old saw. It has shown risk selection to be a very risky business. And while a generally bad situation has turned for the better, the old timers will continue to remind prospective spring wheat growers in the Southwest that "Only fools and strangers predict the weather."

FCI ACTIVITY BRISK

IN IDAHO SAYS VAUGHT "We aren't having any trouble signing up Idaho's spring wheat farmers for Federal crop insurance on their 1940 crops," reports Milford J. Vaught, chairman of the Idaho State AAA Committee. "Once they learn about CROP INSURANCE, and how it works out on their own farms, it's just a matter of pushing the application and a pen across the counter to them!"

Vaught says the spring wheat drive has netted about 1,200 applications to date, to add to 1,800 the winter wheat campaign had brought in by the October 30 deadline. Another 400 to 500 farmers will be sure of a 1940 harvest by the time the February 29 deadline comes 'round. "That will finish up the 1940 sign-up with just about double the number we signed up last year. Some counties have come along so fast on their work that we've had to round up the application forms from the slower counties and put them to work in counties that had exhausted their supply," the Idaho chairman said.

"Here are figures from some of our counties: Ada county with only two policies in 1939, has signed 350 already, and they're not through yet. The county committee lives, talks, and breathes crop insurance, and they nab their prospects on the street, out on the farm, and in the county office. Cassia County has doubled its 86 policies in 1939 -- had 190 up to December 10. Gooding, with 9 in 1939, has 110 signed up. Jerome has 75 this year to 13 last, and is just getting started. Lincoln has turned 18 into 75; Twin Falls has 222 where there were only 54 in 1939."

Vaught said Idaho's weather has been a factor in crop insurance sales in two ways. It has made Idaho farmers realize they can't expect harvests like they had in 1937 and 1938 every year; and an open winter has made contact work much easier. The feature of authorizing an advance on future ACP payments to pay premiums has been accepted enthusiastically. "Many of our losses last year were on irrigated acreages, and farmers who irrigate have come to regard their small wheat crops as worth insuring since they can be guaranteed from 30 to 60 bushels an acre at a minimum of cost."

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COME DROUGHT, COME FROST,

THERE'LL BE WHEAT TO SELL Washington wheat farmers, most of whom ordinarily plant in the fall, wondered during the unusually dry autumn just past if there would ever be enough moisture to bring their crops through the winter. Some took a chance and seeded in the dust; others decided to wait until spring.

"It really means something to a farmer," says Archie M. Camp, State crop insurance assistant, "to know that come drought, come frost, come fire, there will be wheat in the bin next fall. Last year, not quite 1,400 Washington farmers insured their crops. This year we sold winter wheat insurance to more than 5,000 growers and expect to sell spring wheat insurance to at least a thousand more." Camp adds that Washington farmers are taking crop insurance, not with the idea of "cashing in" during any particular year, but as a means of spreading losses over a long period.

WINTER WHEAT INCOME ASSURED

DESPITE SEVERE FALL DROUGHT

Despite poor crop prospects in the great Southwest Wheat Belt, where 60 percent of the Nation's winter wheat is produced, growers can look toward the 1940 harvest with reasonable assurance that their wheat income will not be greatly reduced. Factors which will tend to offset a short yield caused by the severe fall drought are a higher price level, the guarantee of yields under the Federal Crop Insurance Program, gains in value of wheat stored under commodity loans, and Agricultural Adjustment Administration payments, all of which will enable growers not only to realize a higher cash income than might be the case otherwise, but also will spread that income more uniformly over the Wheat Belt.

Effects of Crop Failure Distributed

In past years of short crops, the whole shock of the loss has fallen on individual farmers who were in the hard-hit areas, while growers fortunate enough to have a crop reaped the gain from price advances on the current crop, and speculators enjoyed the benefits of advances on the carry-over. The situation definitely changed in 1940. Through commodity loans on wheat, farmers hold 163,789,000 bushels of the 1939 crop carry-over, and through participation in the crop insurance program for 1940 some 317,000 winter wheat farmers are sure of income from at least 75 percent of their long-time average yield. Add to this the payments that most growers will receive from participation in the agricultural conservation program and it indicates an income for Southwest wheat farmers far more stable than in past years of short crops.

More than 153,800 farmers in Kansas, Oklahoma, Nebraska, Colorado and Texas have completed insurance contracts, paying in premiums amounting to 8,313,000 bushels to insure production of 50,926,000 bushels. For a comparative summary of 1939 and 1940 operations in these States reference is made to Table 1. No estimate has yet been made of probable indemnities for 1940, but as these vary with crop conditions, it is probable that many producers who would otherwise have no wheat income from their 1940 harvest, will be entitled to make claims for crop loss.

Wheat Loans Benefit Grower

Another factor in stabilizing the wheat grower's income is the wheat loan program, under which some 76,000 farmers in the above-mentioned States are participating in the increased value of their 1939 crop. Through the loans, growers in this area were able to realize 61 cents to 64 cents a bushel for their crop at a time when it was selling at 50 cents to 56 cents. The prospects of the short 1940 crop have been a material factor in increasing the value of the carry-over wheat above the loan rate to 79 cents to 85 cents -- a gross gain of 26 cents to 32 cents a bushel. Altogether wheat growers in the Southwest have a potential total gain of around \$17,800,000, profits which otherwise would have gone not to the farmers but to the speculators.

The following table indicates the bushels of wheat under loan as of December 31, 1939, in these States.

WHEAT LOANS

State	Number of loans	Bushels under loans	Average loan rate	July 15 farm price	Jan. 15 farm price	Gain per bushel	Total gain
Kansas	29,063	21,430,000	.64	.53	.85	.32	\$6,857,600
Oklahoma	16,976	13,116,203	.61	.51	.83	.32	4,197,185
Texas	14,500	14,283,381	.62	.56	.82	.36	3,713,679
Colorado	3,436	2,882,000	.61	.50	.79	.29	835,780
Nebraska	12,748	7,156,856	.64	.54	.85	.31	2,218,525
TOTAL	76,723	58,868,440					\$17,822,769

The wheat loans and crop insurance will have a far-reaching effect in maintaining buying power of growers during the coming season in those areas where the crop does not turn out well. As one farmer, with 3,000 bushels of wheat under seal said: "I've got my crop in the bin. Through my wheat loan I'm sure of a gain of at least 25 cents a bushel on my 1939 crop. Through my crop insurance I'm sure of at least 75 percent of my average crop from my 1940 harvest."

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OFFER ALL-RISK INSURANCE TO

NON-RESIDENT OWNERS--LOHSE

Harry D. Lohse, chairman of the North Dakota ACP committee, has directed a letter to all county associations in his State asking that these associations call to the attention of institutional and non-resident landlords the advantages of the crop insurance program. The letter is quoted below because it suggests a plan that has real merit:

"It is important at this time to call to the attention of non-resident landowners the possibilities offered by the Crop Insurance Program. A large part of the policies written on the 1939 crop was accounted for by the participation of this group. Presumably, all counties have notified the landowners as well as the operator regarding the yield and premium rate for the farm. A follow-up letter might produce some good results. In this letter there should be pointed out some of the features of the program as they have been developed at your county meetings. It would be particularly helpful to call attention to the various ways whereby they may take care of the premium.

"Individuals and institutions should be advised that applications will be prepared upon request and forwarded for examination and signature. As the time remaining before the deadline is short, it is important that this matter be taken care of in the very near future . . ." Signed -- Harry D. Lohse.

The above letter to county associations goes out accompanied by a sample outline of material for presentation at crop insurance meetings. The outline enumerates the advantages of the program about as follows: (1) Tends to stabilize the wheat market. FCIC keeps reserve wheat off market; (2) Insured farmers will always have wheat to sell despite crop failure; (3) When wheat production is low, prices tend to be high; (4) Reduces need for seed and feed loans; (5) Crop insurance should not be considered as a money-making enterprise -- it is a means to assure wheat income every year; (6) Has credit value; (7) Improves farmer and community morale; (8) Crop insurance program belongs to the farmers and by participation they increase their own security.

OREGON CROP INSURANCE

CAMPAIGN GOING STRONG

From N. C. Donaldson, executive assistant in Oregon, comes a report that prospects for the spring wheat sign-up in his State are much better than they were last year at this time. He says that Oregon already has 1,640 paid-up applications, most of which are on winter wheat, and that from 600 to 1,000 more are expected from spring wheat growers. "We have 53 percent of our total State wheat allotment insured on winter wheat and expect to have from 40 to 50 percent of the total wheat allotment acreage insured when the spring wheat sign-up is completed." Donaldson estimates that the two highest counties, Sherman and Morrow, will have from 70-75 and from 80-90 percent, respectively, of their wheat-acreage allotment insured by the February 29 deadline.

Donaldson attributes the increased interest in crop insurance to the fact that farmers understand the program better and that there has been greater cooperation and understanding this year between county and community committeemen.

During the winter wheat planting period last fall, prospects for a crop were unfavorable, Donaldson said. "However, during December we received considerable moisture and are continuing to receive moisture at the present time (January 15). A good deal of the wheat area is covered with snow, varying from a few inches up to 14 inches.

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"INSURE AS MATTER OF COURSE"

SAYS NORTH DAKOTA GOVERNOR

In an address at Bismarck, N. Dak., several weeks ago, Governor John Moses urged farmers to insure their wheat production under the Federal crop insurance program as a matter of course. He pointed out that North Dakota farmers had shown an intense interest in the program during its first year of operation. "We find," he said, "from the report of the Agricultural Conservation Committee that 22,000 policies were written in 1939, with partial and total losses on approximately 11,000 policies. Total premium payments were just a little over two million bushels, and indemnities which will be made are estimated at about 1,750,000 bushels." The Governor pointed out that the crop insurance program must still be regarded as in the experimental stage. "But the figures I have just quoted show that the estimates made the first year of the program were sound."

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SOIL CONSERVATION IS

A NATIONAL PROGRAM

"The AAA program, through the cooperation of farmers, aims at adjusting the production of soil-depleting crops as a class to the limits of domestic and foreign consumption and storage needs. Land is not inexhaustible. It has taken Americans a long time to realize this fact. We have taken soil fertility for granted, have destroyed and sold it off as though it were as inexhaustible as the air. Within a couple of generations many farms have passed through the destructive cycle from virgin soil to ruin." The above quotation is from a recent address of Triple-A Administrator Evans. Now that wheat farmers can assure themselves of wheat income every year through crop insurance, there should be less pressure to mine the soil to make up for past crop losses.

NORTH DAKOTA MAY HAVE

40,000 INSURED GROWERS

North Dakota is going to reach its goal of 40,000 paid-up crop insurance applications in 1940, says a report from Harry D. Lohse, chairman of the North Dakota ACP committee. Farmer fieldmen say that all wheat counties of the State are busy writing applications. Morton, Cavalier, and Pierce counties are leading so far. Up until the last week in January activity had been rather slow, says Lohse, but now that 1940 listing sheet data have been approved by the branch office, the crop insurance sales campaign is going ahead with great vigor. Lohse points out that the Flickertail State has just begun to take applications. "But we still expect to reach our goal of 40,000 by February 29, the closing date for receiving 1940 crop insurance applications."

In a letter dated January 26 to the AAA Regional Contact Section, Lohse says: "Just a few days ago a series of educational meetings on the 1940 Crop Insurance Program were completed in Barnes County. As an experiment in several communities, a very special invitation was sent to the women asking them to come. In spite of sub-zero weather, one of the meetings especially had a very good representation of women folks and we feel that they should be congratulated. At these meetings Miss Frances Barnick gave a talk entitled "The AAA Program and How it Affects the Farm Family Living." Miss Barnick is the recently appointed farmer fieldwoman for North Dakota.

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WHIPCRACKER HALL'S

METHODS GET RESULTS

George Hall, Colorado's enterprising State Supervisor, will again use in the spring sales campaign an idea that apparently made some county supervisors stumble over chairs in haste to sell insurance on fall-sown wheat. George's idea is a weekly rating of the first ten county supervisors as to the number of paid-up applications turned in. A weekly letter goes out to the boys, showing the rating three weeks running. George says it's surprising how they react to the contest. Last fall, he said, one supervisor became increasingly bitter over the fact that he could get into the first eleven or twelve high, but never the first ten, the "honor roll." George told him, "Well, get busy, then." Next week the boy came in fifth.

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RECENT SNOWS IMPROVE

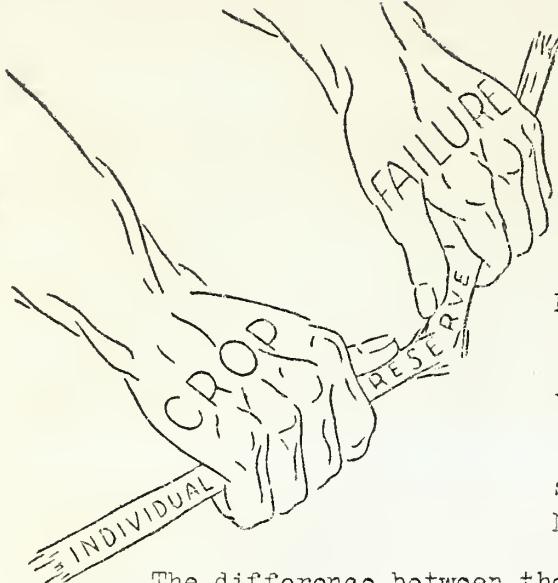
CONDITIONS IN WYOMING

Prospects for crop insurance on the 1940 spring wheat crop in Wyoming appear bright. In addition to the 900 applications completed for winter wheat indications are that approximately 300 more will be sent in on spring wheat. Recent snows in the northeast section of the State have improved the chances of a fair crop materially in that area during the past several weeks. Conditions in the southeastern section of the State are also beginning to look better. At the present time it appears as though Wyoming will have approximately four times as many insured farmers in 1940 as in 1939.

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Forty-two percent of the farmers in the United States lease or rent all the land they cultivate.

UNITED STATES DEPARTMENT OF AGRICULTURE
 FEDERAL CRCP INSURANCE CORPORATION
 (Name of Town and State)



Dear Mr. Blank:

Pick up a little twig and break it in two. There's nothing to it!

But imagine trying to break 400,000 of such twigs all at the same time. That would practically be an impossible task.

The difference between these two feats of strength measures quite accurately the difference between any individual reserve of wheat you may have stored up and the wheat reserve of the Federal Crop Insurance Corporation.

As a wheat grower you know that one bumper crop will enable you to put aside a part of your yield just in case some crop hazard reduces or completely destroys your crop the following year. But your individual reserve will not stand the strain of 2 or 3 years of reduced yields or failure.

Instead of setting aside as much as possible of each good crop for an individual reserve, you can now, for a small fraction of each crop, get the benefit of the 11-million bushel group reserve of the Federal Crop Insurance Corporation which absolutely assures you of as much as 75 percent of your average yield every year.

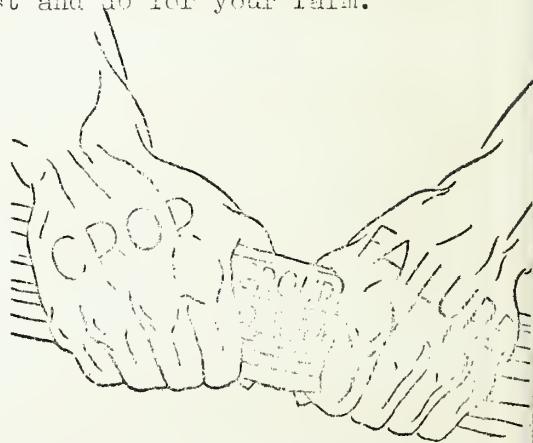
In 1939, nearly 166,000 wheat growers paid premiums for all-risk Federal Crop Insurance. The wheat crop on _____ farms right here in _____ County were insured against all hazards in 1939 and are insured for 1940. Indemnities were paid to _____ farmers in this county last year, representing income that otherwise would have been lost.

By participating in the crop insurance program you help build a better foundation under your own security. Your premium payment, with thousands of others, will overpower your crop-hazard enemy.

Any member of your county AAA committee will gladly tell you all about the crop insurance plan and how much it will cost and do for your farm.

Sincerely yours,

NOTE: Stencils with the above illustration - not the letter - impressed on them are available for use by county committeemen in mailing circular letters to local wheat growers. They may be obtained upon request through the State AAA offices.



GRASSHOPPERS AGAIN THREATEN

WHEAT FIELDS OF MIDDLE WEST

A grasshopper egg survey recently completed by the Bureau of Entomology and Plant

Quarantine shows that the threat of damage from grasshoppers this year will be less than in 1939, but enough of these insects will hatch in many parts of the Great Plains to do a great deal of harm if proper control measures are not taken to stop them. Most severe infestation is indicated by the survey to be in North Dakota, especially the Red River Valley, South Dakota, Nebraska, western Kansas, western Minnesota, and north-central Montana. There also are danger spots in eastern Colorado, the Panhandle areas of Texas and Oklahoma, and in limited local areas in other western States.

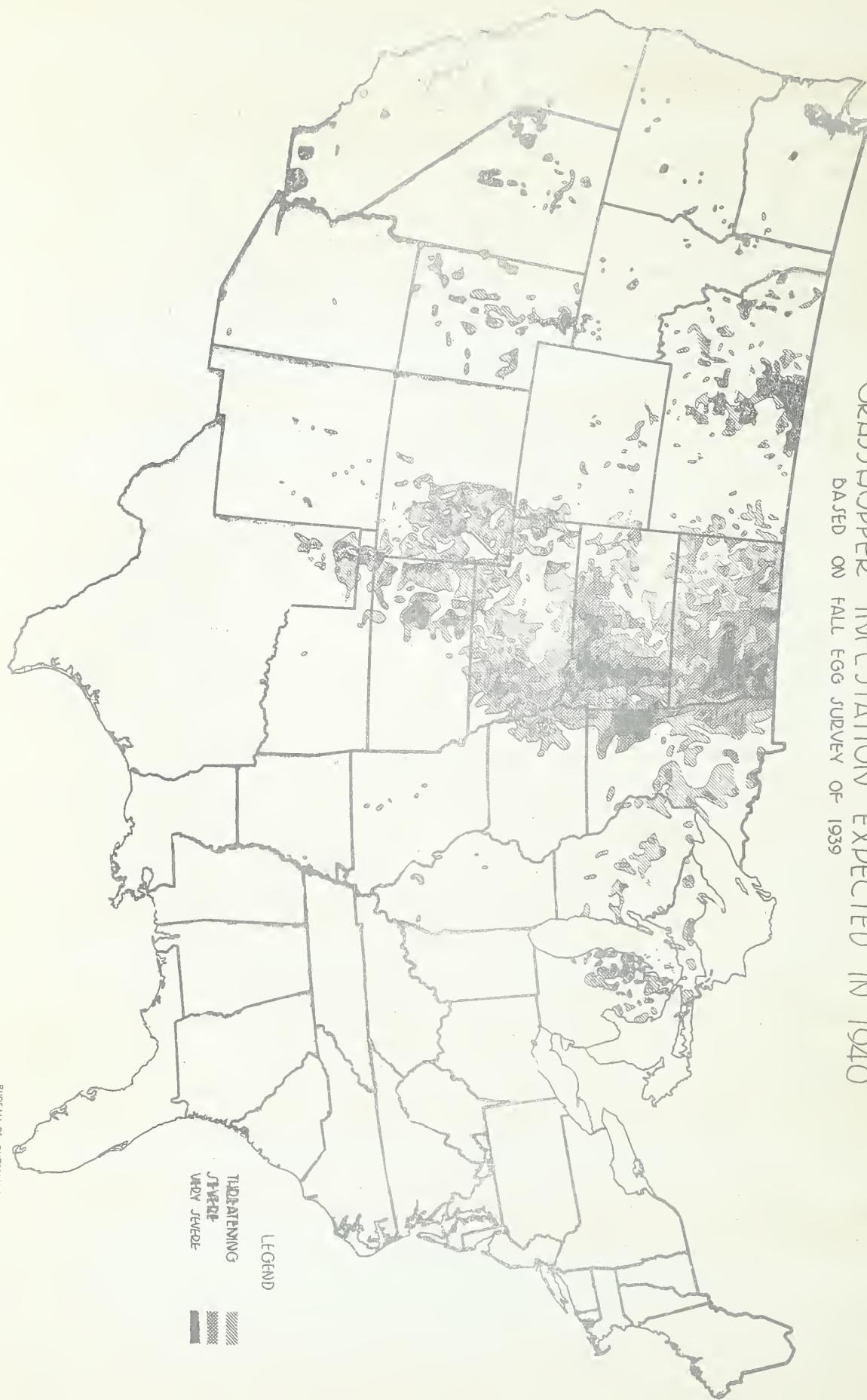
There are two important reasons why State and county committeemen should make every effort to get wheat growers to cooperate with State and Federal agencies to curb the grasshopper menace:

- (1) The crop insurance program is vitally concerned with keeping wheat crop losses at a minimum. It is true that insured farmers are protected from unavoidable grasshopper damage but, as stipulated in the 1940 Wheat Crop Insurance Regulations, "The entire insurance contract shall be voidable . . . if the insured shall neglect to use all reasonable means to develop, care for, and save the entire crop covered by the insurance contract, whether before or after the damage has occurred." With reasonable effort, grasshopper damage can be reduced. In 1939 it is estimated that 'hopper-control campaigns reduced the loss caused by this one hazard from \$176,000,000 to \$48,000,000.
- (2) By helping to reduce grasshopper damage, growers are helping themselves to get greater insurance protection in future years at lower cost. In other words, by maintaining high yields growers increase the yield for which they can be insured; by keeping losses at a minimum, they reduce the cost per acre for increased protection because premium rates are based on losses experienced by each farm.

Whether a grower has used every reasonable means to fight the grasshopper will be a problem confronting every adjuster who goes out to adjust 1940 losses in 'hopper-infested areas. Before the 'hoppers strike, however, much good can be done by county committeemen by keeping growers informed as to how to take control measures, the availability of poison bait, and the importance of cooperating in State and Federal campaigns in order that they may be assured of crop insurance protection.

The map on the next page shows the potential 'hopper-infested areas as determined by the recent grasshopper egg survey of the Bureau of Entomology and Plant Quarantine.

GRASSHOPPER INFESTATION EXPECTED IN 1940
BASED ON FALL EGG SURVEY OF 1939



FFMC SPRING WHEAT HOLDINGS

WILL BE INSURED THIS YEAR

The Federal Farm Mortgage Corporation will insure the 1940 wheat crop on all of its holdings in the spring wheat area where the farms come within established limitations. The FFMC will apply for insurance where the premium on its share of the crop on a 75 percent coverage basis on the individual farm does not exceed 25 percent of the normal yield or 33 1/3 percent of the coverage basis, and provided that the Corporation's share is not less than the equivalent of 10 acres or is not less than 80 bushels on a normal yield basis, whichever minimum the bank prefers.

This action by the FFMC is significant to the crop insurance program and it should be inspiring to county crop insurance workers to learn that another of the largest holders of farm land in the country has endorsed the all-risk crop insurance idea. A press release dated February 9 issued by the Farm Credit Administration summarizing the action of the FFMC's Board of Directors with respect to placing its wheat acreage under all-risk insurance is quoted below:

"The Federal Farm Mortgage Corporation today applied for Federal Crop Insurance on a part of the spring wheat crop on farms owned by the Corporation in the spring wheat area, according to a statement by A. G. Black, governor of the Farm Credit Administration. Most of the spring wheat farms owned by the Corporation are leased to tenants; and the Corporation is applying for crop insurance only on its share of the crop on a substantial portion of these farms, Governor Black said.

"The application for insurance applies particularly to Minnesota, North and South Dakota, Nebraska, Washington and Montana. The type of Federal Crop Insurance applied for is that insuring 75 percent of normal yield -- in this instance, 75 percent of the Corporation's share of the crop. Governor Black said Federal Crop Insurance is also being extensively utilized on wheat farms owned by the 12 Federal land banks."

The Federal Farm Mortgage Corporation has wired instructions to each of its agents advising them to prepare applications for Federal Farm Mortgage Corporation farms where the yields and rates are within the limits referred to. County AAA committeemen are urged to make every effort possible to cooperate with these officials of the Federal Farm Mortgage Corporation in getting applications completed and on record before the February 29 closing date. Promptly upon preparation of applications they will be forwarded to the State office for assembling, and henceforth the State office will forward the application to the respective banks for signature and premium. The bank will execute the applications and will prepare checks covering the premiums on a county basis, after which it will return them to the State office.

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